

With 1997 revenues of more than \$23 billion, GTE is one of the world's largest telecommunications companies and a leading provider of integrated telecommunications services. In the United States, GTE provides local service in 28 states and wireless service in 17 states; nationwide long-distance service and internetworking services ranging from dial-up Internet access for residential and small business consumers to Web-based applications for Fortune 500 companies; as well as video service in selected markets.

Outside the United States, the company serves over 8 million telecommunications customers. In addition, GTE is also a leader in government and defense communications systems and equipment, directories and telecommunications-based information services, and aircraft-passenger telecommunications.

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63(98)

[Back to 1998 Second Quarter Report](#)

[Back to Quarterly Reports](#)

[Back to Investor Information](#)

[Summary](#) | [Income](#) | [Income \(6 ms\)](#) | [Data \(a\)](#) | [Data \(a-6ms\)](#) | [Data \(b\)](#) | [Data \(b-6ms\)](#)

[Home](#) | [Site Map](#) | [What's New](#) | [Search](#) | [Help](#) | [Feedback](#)

[Products and Services](#) | [Customer Support](#) | [About GTE](#) | [Careers at GTE](#)

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ATTACHMENT D

HOME SITE MAP WHAT'S NEW SEARCH HELP CONTACT US



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AND SERVICESCUSTOMER
SUPPORTABOUT
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July 28, 1998

NEW YORK, N.Y., and STAMFORD, Conn., July 28, 1998 - Bell Atlantic (NYSE: BEL) and GTE Corp. (NYSE: GTE) will merge in a transaction joining Bell Atlantic's sophisticated network serving its dense, data-intensive customer base with GTE's national footprint, advanced data communications capabilities and long distance experience. The transaction also creates one of the world's premier wireless communications companies and combines two companies with extensive and complementary international assets. The merger of equals was announced today by Bell Atlantic Chairman Raymond W. Smith, Bell Atlantic Chief Executive Officer Ivan Seidenberg, and GTE Chairman and Chief Executive Officer Charles R. Lee.

The executives said a hallmark of the transaction is the ability of the merged company to accelerate its growth by building upon its complementary strengths to bring new, competitively priced services to millions of consumers and business customers. It is anticipated that the merged company, with 1997 combined revenues of \$53 billion and a current combined market capitalization of approximately \$125 billion, will target annual EPS growth of 15 percent, exceeding each company's current expectations.

Under the terms of the definitive agreement, which was approved by the boards of directors of both companies, GTE shareholders will receive 1.22 shares of Bell Atlantic stock for each GTE share they own. (GTE had 963,241,244 shares outstanding as of June 30, 1998.) The transaction is expected to be tax-free to shareholders and to be accounted for as a pooling of interests.

Based on investments they have already made, and the strategic fit between them, the merged company will immediately have leadership positions and enhanced growth potential in four key businesses:

- Data: GTE is already a major provider of data and advanced Internet services to

consumers and businesses, with one of the industry's most sophisticated data networks. Bell Atlantic serves millions of the world's most information-intensive residential and business customers, including the headquarters of 175 of the Fortune 500 companies, and a huge base of multinational businesses. The merged company thus combines a major provider of advanced data services with millions of customers whose demand for these services is exploding. In addition, both Bell Atlantic and GTE have committed to aggressive ADSL deployments, positioning the merged company to be the leading provider of advanced data services to the home.

- Wireless: The merged company will be the nation's largest and most advanced cellular service provider. Together, Bell Atlantic and GTE currently have 10.6 million domestic wireless customers and more than 100 million cellular POPs. The wireless technologies of the two companies are both migrating to state-of-the-art CDMA technology and are, therefore, fully compatible. Moreover, Bell Atlantic and GTE have both demonstrated the ability to successfully integrate wireless operations and to significantly enhance their efficiency and profitability.
- Domestic: With 63 million access lines, the merged company will provide the crucial first-mile link to the global telecommunications network for millions of homes and businesses in 38 states. As the nation's largest local exchange carrier, and an emerging long distance provider, it will be able to better serve its customers by using that size and scope to drive down costs and speed new services to market.
- International: With a significant presence in more than 30 countries and virtually no overlap, the international portfolios of GTE and Bell Atlantic are focused on some of the world's highest-growth markets. The merged company will have significant international reach, extending from Canada to Argentina and from Europe to Asia. In addition, customers in its service territory currently account for more than 30 percent of the world's international traffic. Those customers represent an enormous business opportunity for the merged company when it receives regulatory approval to handle long distance traffic.

In addition, the merged company will be the world's largest publisher of telephone directories.

Capital investments already made by the two companies in their markets will enable the merged company to achieve its growth objectives without major new capital commitments. Moreover, based on anticipated revenue and cost synergies, the transaction is expected to be accretive to earnings per share, excluding one-time, merger-related charges, in the first year following completion.

Seidenberg of Bell Atlantic said: "This transaction means more choice. Customers will have access to a complete range of competitively priced services, and have it far faster than would otherwise be possible.

"The transaction also means more competition. The combined enterprise will have the financial, operational and technological resources to compete effectively against the

strategies of AT&T/TCI, SBC/Ameritech, WorldCom/MCI and others, both current and future," Seidenberg said.

Lee of GTE said: "We will be the only telecommunications company that has it all: a unique mix of local and long distance, national and international assets, and voice, wireless, data, Internet and other services. With those competitive advantages-unmatched by any existing or proposed communications company-we will be well-positioned to better serve our customers, accelerate our growth and continue to build shareholder value."

Smith of Bell Atlantic said: "In the new telecommunications environment, companies with scope, scale, and a clear vision of how best to meet customer demand will be the industry leaders. Today, we are creating such a company."

Lee and Seidenberg will share responsibility for the management of the company, and will both serve on the merged company's board. Lee will serve as Chairman and Co-CEO of the merged company, and Seidenberg will serve as its President and Co-CEO. Beginning on June 30, 2002, Seidenberg will become the sole CEO, with Lee continuing as Chairman until June 30, 2004, when he will be succeeded by Seidenberg. As previously announced, Smith will retire as Chairman of Bell Atlantic by year-end 1998.

The merged company's board of directors will have equal numbers of directors designated by Bell Atlantic and GTE. The top management team for the merged company, which will be named shortly, will be a blend of the senior managers of both Bell Atlantic and GTE. The merged company will be headquartered in New York City, with a significant operational presence in Dallas and other locations.

Lee and Seidenberg said that they expect the transaction to produce cost synergies totaling \$2 billion within three years of completion, principally related to economies of scale and other operating efficiencies. It is expected that the merged company will generate an additional \$2 billion in revenue synergies.

The two companies have a total of more than 250,000 employees. Because the transaction is driven primarily by growth opportunities, not by opportunities to cut costs by eliminating jobs, it is not expected to have a material impact on employment levels of the hourly workers of either GTE or Bell Atlantic. In fact, as the combined enterprise grows, overall employment levels may increase. In addition, while a small percentage of overlapping management positions may be eliminated, it is anticipated that this growth will create many new professional opportunities.

Both GTE and Bell Atlantic have proven track records in successfully and quickly integrating business operations. For example, GTE today thrives as a highly focused, integrated company, after a series of major acquisitions and divestitures over the past decade, including the acquisition of BBN Corp. in 1997. Bell Atlantic and NYNEX formed a wireless joint venture in 1994, and the two companies merged in 1997. By 1996, the wireless joint venture achieved a market leadership position with innovative products, faster customer growth and sharply improved profitability. The integration of Bell Atlantic and NYNEX is now largely complete, and is already producing efficiencies greater than those initially projected.

Bell Atlantic has been a leader in opening its market to local competition. Seidenberg said: "The key for us, and for our customers, is our ability to move into new markets faster. We will continue to work closely with our regulators to expedite the long distance approval process so the customers of the combined enterprise can realize the benefits of the merger as quickly as possible."

The transaction, which requires approval by the shareholders of both companies, expiration of the applicable Hart-Scott-Rodino waiting period and approval by various regulatory authorities, is expected to be completed in approximately 12 months.

Bear, Stearns & Co. Inc., Merrill Lynch and Morgan Stanley acted as financial advisors to Bell Atlantic, and Bear, Stearns and Merrill Lynch each provided a fairness opinion to Bell Atlantic.

Goldman, Sachs & Co. and Salomon Smith Barney acted as financial advisors to GTE, and each firm provided a fairness opinion to GTE.

INTERNET USERS: This news release and other information on the two companies can be found on the Bell Atlantic World Wide Web site (www.ba.com) and on GTE's Web site (www.gte.com).

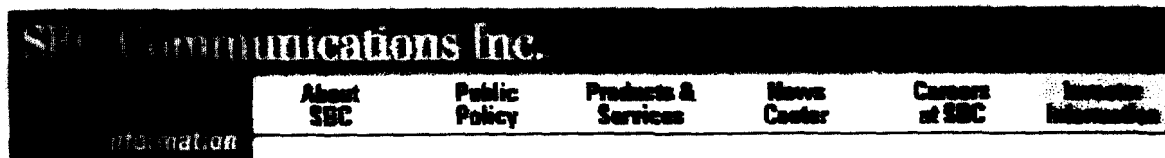
Information contained in this release with respect to the expected financial impact of the proposed merger is forward-looking. These statements represent the companies' reasonable judgment with respect to future events and are subject to risks and uncertainties that could cause actual events to differ materially. Such factors include: materially adverse changes in regulatory and economic conditions in the markets in which the companies operate; substantial delay in the expected closing of the merger; the ability to achieve the synergies identified; and a significant change in the timing of, and conditions under which, Bell Atlantic is allowed to offer long distance services within its region.

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ATTACHMENT E

**Investor
Information****Quarterly Earnings****Annual Report****Stock Performance****Shareowner
Services****SBC Grows Second Quarter Earnings Per Share 18 Percent*****Broad Customer Demand Drives Results*****San Antonio, Texas, July 16, 1998**

SBC Communications Inc. (NYSE: SBC) today announced second-quarter results, reporting an 18.2 percent increase in diluted earnings per share to \$0.52 from a normalized \$0.44 in the second quarter of 1997. SBC's second-quarter results were driven by strong core business performance, including growth in access lines, data services, vertical features and wireless service.

Earnings increased 19.6 percent to \$966 million from a normalized \$808 million in the second quarter last year. Revenues increased 7.9 percent to \$6.6 billion from a normalized \$6.1 billion last year, representing the third consecutive quarter of improvement in the year-over-year growth rate.

"We had an excellent quarter of double-digit earnings growth that underscores the strength of our core businesses," said Edward E. Whitacre Jr., chairman and chief executive officer. "We remain on target to achieve all of the synergies associated with the Pacific Telesis merger, particularly revenue growth at Pacific Bell which increased 6.3 percent, driven in large part by our ability to sell vertical services as we continue to share expertise from Southwestern Bell. We also added 226,000 subscribers in our domestic wireless markets, raising the total to 5.8 million, a 17.6 percent increase over the last 12 months.

"At the same time, we're on target to complete our merger with Southern New England Telecommunications over the next few months. And, our proposed merger with Ameritech, our national-local strategy and our roll out of high-speed Asymmetrical Digital Subscriber Line, or ADSL, data services in California this quarter reinforce our commitment to continue to grow our core businesses longer term to deliver shareowner value."

On a reported basis, SBC's earnings of \$966 million during the quarter compare with a loss of \$787 million during the second quarter last year, when SBC took \$1.6 billion of one-time charges for strategic decisions

related to the merger of SBC and Pacific Telesis.

Highlights of the second quarter included growth in key areas:

- **Access Lines:** SBC's subsidiaries added 1.6 million lines over the last 12 months, which is an increase of 4.9 percent, including 276,000 lines added during the second quarter.
- **Caller ID:** Pacific Bell, with an enhanced marketing and sales focus based on merger-related synergies, added 164,000 Caller ID subscribers during the quarter and raised Caller ID residential line penetration to 9.4 percent from 2.6 percent a year ago. Southwestern Bell signed on its 5 millionth residential Caller ID subscriber during the quarter to bring its residential total to more than 5.1 million subscribers and an industry-leading residential penetration rate of 49 percent.
- **Vertical Features:** Through successes in marketing vertical feature packages, both Southwestern Bell and Pacific Bell experienced solid growth in vertical feature penetration during the quarter. Southwestern Bell's feature penetration increased 8.9 percent over the last 12 months to 2.45 features per line, one of the highest levels in the industry. Pacific Bell's penetration grew to 0.9 features per line, a 24.2 percent increase over the prior year quarter.
- **Wireless Subscribers:** SBC's subsidiaries added 226,000 wireless subscribers in the second quarter, which included signing on the 500,000th PCS subscriber in California and Nevada. Overall, SBC added 871,000 subscribers over the last 12 months. PCS growth continues to exceed expectations, while traditional cellular growth during the quarter was right in line with desired levels.
- **Data Services:** Revenues for Southwestern Bell and Pacific Bell data services, including Frame Relay, ISDN (Integrated Services Digital Network), DS1 and DS3 services, increased more than 35 percent. In addition, SBC extended its product line in the growing data services market by announcing the launch of ADSL service for more than 200 communities in California.

"We reached a number of key milestones across our businesses this quarter that are helping us maintain the momentum we've been building," Whitacre said. "We're experiencing the benefits of being in great markets with strong potential, offering new products and services our customers want and having people who know how to execute."

Wireline Operations

Revenues at SBC's wireline operations continued to show strong growth. Southwestern Bell Telephone and Pacific Bell quarterly revenues grew 6.4 and 6.3 percent to \$2.8 billion and \$2.3 billion, respectively. Normalized quarterly earnings increased 9.5 percent to \$402 million at Southwestern Bell and 15.5 percent to \$321 million at Pacific Bell.

On a reported basis, Southwestern Bell Telephone and Pacific Bell quarterly revenues grew 9.2 and 12 percent to \$2.8 billion and \$2.3 billion, respectively. Quarterly earnings compare with reported earnings of \$228 million at Southwestern Bell and a \$605 million reported loss at Pacific Bell in the second quarter of last year.

Companywide, access lines increased 4.9 percent in the second quarter over the year-ago quarter.

Southwestern Bell grew access lines to more than 16.1 million, representing a 5.2 percent increase over the last 12 months. Growth was driven by business lines, which increased to 5.4 million, marking a 7.1 percent increase over the prior year and the thirteenth consecutive quarter business line growth has met or exceeded 7 percent.

Pacific Bell increased total access lines to more than 17.7 million, representing a 4.6 percent growth for the last 12 months. This growth was driven by additional residential lines, which increased 14.8 percent over the last 12 months, pushing total penetration to an industry-leading 30.8 percent.

"Growth in the wireline business continues to reflect high customer demand for additional access lines and vertical services, with advanced data services becoming an increasingly important contributor to overall performance," Whitacre said. "We continue to invest in our networks to be able to take advantage of the dynamic growth in the data market."

Wireless Operations

Continuing high demand for PCS services in California and Nevada and growth in traditional cellular markets increased SBC's wireless subscriber revenues 13.9 percent over the same quarter last year to \$891 million.

During the quarter SBC added a net 120,000 PCS customers in California and Nevada, and 106,000 wireless customers in our other domestic markets, increasing the total number of domestic wireless subscribers to 5.8 million.

To continue competing effectively in both its PCS and domestic cellular markets, the company is broadening its PCS distribution channels and offering high-quality digital networks and handsets to its domestic cellular customers. SBC's goal is to migrate 30 percent of its high-volume cellular customer minutes to its digital network in 1998. To date, the company has migrated approximately 16 percent of its cellular minutes.

International Operations

SBC's international investments performed well in the second quarter, with solid contributions from SBC's investments in Mexico's Telmex and in Telkom South Africa. SBC's investment in Cegetel in France continued to grow its wireless subscribers, more than doubling last year's total. Overall, international wireless businesses in which SBC has invested increased subscribers almost 115 percent over last year, raising total wireless subscribers to 5.9 million. These international investments provide opportunities for continued growth.

In April, *diAx mobile*, a Swiss company in which SBC holds an interest, was awarded a new GSM 900 MHz wireless license by the Swiss Government. *diAx mobile* plans to launch wireless service in Switzerland within the next six months, strengthening the company's presence in Europe.

"We're increasingly looking to build on the successes of our strategic international investments," Whitacre commented. "More importantly, they will become key components in our evolving national-local-international strategy, which will carry SBC's momentum well into the future."

Other Events

In May, SBC announced an industry-transforming merger with Ameritech to create a new type of telecommunications company with a "national-local" focus combined with national and international service capabilities. The company expects to have the assets, scope and strategies to compete against incumbent local telecommunications companies, competitive local exchange carriers, long distance companies and global competitors.

SBC expects that the Ameritech merger will enable the new SBC to accelerate and expand telecommunications competition by entering 30 U.S. markets outside its traditional 13-state local region so that the combined company will serve customers in all the top 50 markets in the nation. Regulatory approval of the merger is expected to be completed

in 12 to 18 months.

SBC Communications Inc. is a global leader in the telecommunications industry, with more than 34 million access lines and over 5.8 million wireless customers across the United States, as well as investments in telecommunications businesses in 10 countries. Under the Southwestern Bell, Pacific Bell, Nevada Bell and Cellular One brands, SBC, through its subsidiaries, offers a wide range of innovative services, including local and long-distance telephone service, wireless communications, paging, Internet access, and messaging, as well as telecommunications equipment, and directory advertising and publishing. SBC (www.sbc.com) has more than 119,000 employees and reported 1997 revenues of nearly \$25 billion. SBC's equity market value of \$74 billion as of June 30, 1998, ranks it as one of the largest telecommunications companies in the world.

SBC Communications Inc.
Financial Summary and Comparisons
(dollars in millions, except per share amounts)
(unaudited)

-- Second Quarter Results --

Before 1997 Special Charges	1998	1997	Change
Operating revenues	\$6,591	\$6,109	7.9%
Operating expenses	\$4,882	\$4,649	5.0%
Earnings	\$966	\$808	19.6%
Earnings per diluted share	\$0.52	\$0.44	18.2%
Special Charges	--	\$1,595	--
As Reported			
Operating revenues	\$6,591	\$5,921	11.3%
Operating expenses	\$4,882	\$6,854	-28.8%
Earnings (loss)	\$966	\$(787)	--
Earnings (loss) per diluted share	\$0.52	\$(0.43)	--
Weighted average common shares outstanding (in millions)	1,839	1,826	0.7%
Weighted average common	1,864	1,830	1.4%

Weighted average common
shares outstanding with
dilution
(in millions)

Note: The 1997 information excludes the costs related to strategic initiatives resulting from the merger integration process with Pacific Telesis Group and the impact of several second quarter 1997 regulatory rulings.

SBC Communications Inc.
Financial Summary and Comparisons
(dollars in millions, except per share amounts)
(unaudited)

-- Six Months Results --

Before 1997 Special Charges	1998	1997	Change
Operating revenues	\$13,015	\$12,082	7.7%
Operating expenses	\$9,647	\$9,188	5.0%
Earnings	\$1,878	\$1,575	19.2%
Earnings per diluted share	\$1.01	\$0.86	17.4%
Special Charges	--	\$1,505	--
As Reported			
Operating revenues	\$13,015	\$11,894	9.4%
Operating expenses	\$9,647	\$11,241	-14.2%
Earnings	\$1,878	\$70	--
Earnings per diluted share	\$1.01	\$0.04	--
Weighted average common shares outstanding (in millions)	1,839	1,825	0.8%
Weighted average common shares outstanding with dilution (in millions)	1,864	1,839	1.4%

Note: The 1997 information excludes the costs related to strategic initiatives resulting from the merger integration process with Pacific Telesis Group, the impact of several second quarter 1997 regulatory rulings, and the first quarter 1997 settlement gain at Pacific Telesis Group associated with lump sum pension payments that exceeded the projected service and interest costs for 1996.



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Center](#)[Careers
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Information](#)[**Ameritech
Merger News**](#)[**News Release**](#)[**SBC Company
Profile**](#)[**Ameritech
Company Profile**](#)[**Merger Terms**](#)[**Biography:
Ed Whitacre**](#)[**Biography:
Richard Notebaert**](#)**SBC Communications and Ameritech to Merge*****Creates National and Global Competitor:
A New Kind of Telecommunications Company*****San Antonio, Texas, May 11, 1998**

SBC Communications Inc. (NYSE: SBC) and Ameritech Corporation (NYSE: AIT) have agreed to a \$62 billion, industry-transforming merger that will create a new type of telecommunications company with a "national-local" focus combined with national and international service capabilities. The company will have the assets, scope and strategies to compete against incumbent local telecommunications companies, competitive local exchange carriers, long distance companies and global competitors.

"The merger will enable the new SBC to accelerate and expand telecommunications competition by entering 30 U.S. markets outside its traditional 13-state local region (see attached list) so that the combined company will serve customers in all the top 50 markets in the nation. In addition, the new company will build on its growing international presence to serve a worldwide market. We will provide a competitive, integrated mix of local, long distance, Internet and high-speed data services providing more choices, new and improved services, more competitive prices and more convenience for millions of consumers, giving us the opportunity to create significant value for our shareowners," said Edward E. Whitacre Jr., chairman and chief executive officer of SBC.

"This transaction will allow us to implement a 'national-local' strategy in which we will offer local services across the country in combination with major national and international operations," Whitacre added. "It will transform us from a regional company to a new kind of company that uses its premiere networks to focus on 'national-local' and global markets. We will then be positioned to compete head-to-head with incumbent local telephone companies, competitive local exchange carriers (CLECs), data networks, long distance carriers and global competitors."

"We know we have the people, resources and the ability to make our new company an unqualified success for our customers, our employees,

and our shareholders. We leap forward in terms of our ability to invest in new technology and become a leading player in the global marketplace," said Richard C. Notebaert, chairman and chief executive officer of Ameritech.

Ameritech shareholders will receive a fixed exchange ratio of 1.316 SBC shares for each share of Ameritech. Based upon closing prices as of May 8, after adjusting for the exchange ratio, the combined companies' value is \$146 billion. The transaction will be a tax free, stock-for-stock exchange and will be accounted for as a pooling of interests. The combined company will be called SBC and will be approximately 56% owned by SBC's existing shareowners and 44% by Ameritech's existing shareowners (ownership percentages are prior to SBC completing its merger with SNET).

"The Telecommunications Act of 1996 helped open the door to a period of rapid change in the telecommunications industry. But so far, it has not created the level of competition that many expected," said Notebaert.

"This merger is critical because it transforms us into a company that has the size, scope and incentive to make the promise of the Act a reality. This new company will be in the best position to serve our customers in the evolving marketplace. We expect to see, in the next few years, the emergence of integrated national and international operators. Successful carriers will either be part of this group or more narrowly focused niche players. Our combined company intends to be one of the successful global operators," said Notebaert.

"This merger should be viewed as a welcomed development by regulators," said Whitacre. "If they are looking for a truly potent way to jump start competition, then approving this merger should be a clear decision."

"We are going to take advantage of the best employee team, the best customer service, and the best technology around," said Whitacre.

The executives noted several benefits of the merger at the announcement:

- Consumers and businesses, large and small, in markets such as New York, Baltimore/Washington, Boston, Atlanta, Denver, Philadelphia, Miami, Phoenix and Seattle will benefit from a new major alternative for all their telecommunications needs, one brought to them by a company with local exchange experience, marketing experience and advanced technology products. The new company will pursue multiple market entry strategies that

- include building, acquiring and partnering.
- Customers in the 13-state region already served by SBC and Ameritech-which include half of the Fortune 500 companies-will enjoy the best and most competitively priced product offerings and services of each company.
- The new company will be able to serve customers in all the top 50 U.S. markets, increasing the potential customer base to 180 million people.
- Local competition in the 13-state region will be advanced as SBC and Ameritech, the recognized leaders in interconnection technology, create a uniform standard of technical excellence for operational support systems available to competitors. The new company will deliver products and services more efficiently to retail and wholesale customers, enhancing competition in the 13-state region.
- The merged company's combined international assets, which include operations in 19 countries in Europe, Asia, Africa, North America and South America, coupled with its integrated services, will allow it to follow customers wherever they go.

The combination will also result in significant opportunities for revenue growth, technology development, cost synergies and other benefits.

"We expect to optimize costs through increased economies of scale and scope, the elimination of duplicated expenditures and the adoption of best practices in cost control," said Whitacre. "We expect to grow revenues more rapidly than would have been possible independently both in our existing service areas and in new markets. These synergies can be used to integrate our two companies, improve our operations, benefit our customers and fund expansion.

"The experience and knowledge we have gained from the very successful integration of Pacific Telesis makes us very confident about our ability to realize the potential financial and strategic benefits of the combination with Ameritech. Going forward the transaction and strategy announced today will diversify our sources of earnings and establish a platform for sustainable future growth," Whitacre continued.

The anticipated cost synergies resulting from the merger will not result in any net job reductions in the combined company. As a result of growth in existing lines of business, out-of-region expansion and new opportunities in data, long distance and other new services, the total number of employees is expected to rise over the next few years.

In fact, SBC made a commitment to Ameritech that employment levels in the five-state region will not be reduced due to the transaction, as well as to:

- maintain Ameritech's headquarters in Chicago and its state headquarters in its traditional states of Illinois, Indiana, Michigan, Ohio and Wisconsin;
- continue to use the Ameritech name in each of its operating states;
- continue to support economic development and education in Ameritech's region consistent with its well-established commitment; and
- continue Ameritech's historic levels of charitable contributions and community activities.

After the transaction is completed, Whitacre will remain as chairman and chief executive officer of SBC. Notebaert will remain as chairman and chief executive officer of Ameritech. Upon closing of the merger, SBC's board of directors will be expanded to include Notebaert and four other current Ameritech directors.

The merger is subject to shareholder and regulatory approvals. Since federal law prohibits ownership of overlapping wireless licenses, the companies will divest certain cellular properties. "Given the size and significance of the transaction we expect close scrutiny but ultimate approval from regulatory authorities," said Whitacre. "Obviously, given the paradigm shifting potential of this merger and the rapid changes in our business, the sooner we can deliver the benefits of this merger to consumers, the better. We recognize that we need the support of regulators for this transaction to be approved. We are committed to listening to any concerns they might raise, and to working with them to promptly resolve any issues. We anticipate the transaction closing within a year," he continued.

Salomon Smith Barney acted as the financial advisor to SBC Communications on the transaction. Goldman Sachs & Co. advised Ameritech.

SBC Communications Inc. is a global leader in the telecommunications industry, with nearly 34 million access lines and over 5.6 million wireless customers across the United States, as well as investments in telecommunications businesses in 10 countries. Under the Southwestern Bell, Pacific Bell, Nevada Bell and Cellular One brands, SBC, through its subsidiaries, offers a wide range of innovative services, including local and long-distance telephone service, wireless communications, paging, Internet access, and messaging, as well as telecommunications equipment, and directory advertising and publishing. SBC (www.sbc.com) has more than 118,000 employees and reported 1997 revenues of \$25 billion. SBC's equity market value of \$80 billion as of March 31, 1998, ranks it as one of the largest telecommunications companies in the world.

Ameritech serves millions of customers in 50 states and 40 countries. Ameritech provides a full range of communications services, including local and long distance telephone, cellular, paging, security services, cable TV, Internet service and more. One of the world's 100 largest companies, Ameritech (www.ameritech.com) has 73,000 employees, 1 million shareowners and nearly \$28 billion in assets.

New Markets for the New SBC

Below are the markets where the new SBC plans to compete under the "National-Local" strategy, ranked by size.

1. New York
2. Philadelphia
3. Boston
4. Washington
5. Miami-Ft. Lauderdale
6. Atlanta
7. Minneapolis - St. Paul
8. Phoenix
9. Baltimore
10. Seattle-Everett
11. Denver - Boulder
12. Pittsburgh
13. Tampa - St. Petersburg
14. Portland
15. Cincinnati
16. Salt Lake City - Ogden
17. Orlando
18. Buffalo
19. New Orleans
20. Nashville - Davidson
21. Memphis
22. Las Vegas

Below are the markets in which SBC and Ameritech currently offer services, ranked by size:

1. Los Angeles (SBC)
2. Chicago (AIT)
3. Detroit (AIT)
4. Dallas-Ft. Worth (SBC)
5. Houston (SBC)
6. San Francisco/Oakland (SBC)
7. San Diego (SBC)
8. St. Louis (SBC)
9. Cleveland (AIT)
10. San Jose (SBC)
11. Kansas City (SBC)
12. Sacramento (SBC)
13. Milwaukee (AIT)
14. San Antonio (SBC)
15. Indianapolis (AIT)
16. Columbus, OH (AIT)
17. Hartford/New Britain (SBC)
18. Oklahoma City (SBC)
19. Austin (SBC)
20. Dayton (AIT)

- 23. Norfolk - Virginia Beach
 - 24. Rochester
 - 25. Greensboro - Winston
-Salem
 - 26. Louisville
 - 27. Birmingham
 - 28. Honolulu
 - 29. Providence - Warwick
 - 30. Albany - Schenectady -
Troy
-

FACT SHEET

TERMS OF THE MERGER AGREEMENT

OVERVIEW

The transaction will be a tax-free, stock-for-stock merger, with pooling-of-interest accounting.

EXCHANGE RATIO

Under a fixed exchange ratio, shareowners of Ameritech will receive 1.316 shares of SBC common stock for each of their shares. Based on the value of SBC's closing stock price on May 8, 1998 of \$42 3/8, this will represent a value of approximately \$55.77 for each Ameritech share.

VALUATION

The purchase represents approximately a 27 percent premium to Ameritech's closing price on May 8, 1998, of \$43 7/8 per share. The merger gives Ameritech a total equity value of \$62 billion and an enterprise value, including debt, of \$71 billion.

OWNERSHIP

Pro forma, the combined company, on a pre-SNET merger completion basis, will be owned 56 percent by SBC shareowners and 44 percent by Ameritech shareowners.

TIMING

SBC and Ameritech hope to complete the merger within a year. The merger must be approved by the Public Utilities Commissions in Ameritech's regions, other local regulators and the Federal Communications Commission. The United States Department of Justice will review the transaction to determine if there are any anti-trust issues. Some European countries will conduct their own reviews.

NO-SHOP PROVISIONS

Under provisions of the merger agreement, Ameritech may not solicit other potential acquirers.



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